

REFUNDING ANALYSIS

Presentation to the

CITY OF ANGELS

Regarding the

Greenhorn Creek Reassessment District

August 2, 2005

WESTHOFF, CONE & HOLMSTEDT

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EXECUTIVE SUMMARY

City of Angels Limited Obligation Refunding Bonds, Series 2005 Greenhorn Creek Reassessment District

Status of District

Homes Built	232
Total Residential Lots	454
% of Homes Completed	51%
Overall Value-to-Lien Ratio	14.77 :1
Assessments on Improved Parcels as % of Total Assessments	52%
Historical Delinquencies	0.5% (very low)
Overall Status of District:	Investment Grade

Responses from Bond Insurers

- "AAA" Insurers have passed
 - Assessments on improved parcels as % of total assessments (52%) needs to be higher, more like 70% or greater
 - District is relatively small
- RADIANT Asset Assurance (rated "AA") is interested
 - Preliminary review committee likes the District, is interested in taking a closer look
 - Would need to conduct a site tour of the District

Estimated Benefits of the Refunding

- Assuming RADIANT makes a bond insurance commitment, the proposed refunding would generate the following estimated savings:
 - \$88 per year per home, or \$1,408 over the remaining life of the Bonds
 - \$2,123 per year for the Golf Course, or nearly \$34K over the remaining life of the Bonds

TERM SHEET

City of Angels
Limited Obligation Refunding Bonds, Series 2005
Greenhorn Creek Reassessment District

Savings Analysis

Estimated Total Savings	\$722,556
Net Present Value of Savings	\$324,904
Net Present Value of Savings as % of Refunded Bonds	3.68%
Estimated Annual Debt Service Savings	\$45,160
Estimated Annual Savings per Home (454 Homes)	\$88
Estimated Annual Savings for the Golf Course	\$2,123

Proposed Refunding Bonds

Principal Amount of Limited Obligation Refunding Bonds	\$8,840,000
Principal Amount of Financing Authority Senior Bonds	\$8,475,000
Assumed Rating of Senior Bonds	"AA" (Radian Insured)
Estimated Bond Insurance Premium (% of total Debt Service on Senior Bonds)	1.25%
Principal Amount of Financing Authority Subordinated Bonds	\$810,000
Assumed Rating of Subordinated Bonds	Not Rated
Estimated Closing Date	12/6/2005
Final Maturity (Same as Existing Bond Maturity)	9/2/2021
Assumed Interest Rate on Senior Bonds at Final Maturity	4.550%
Assumed Interest Rate on Subordinated Bonds at Final Maturity	5.000%

Outstanding Principal Amount of Prior Bonds

Principal Amount (net of \$350,000 due 9/2/05)	\$8,840,000
Call Date (Current Refunding)	3/2/2006
Call Price	101%
Final Maturity	9/2/2021
Interest Rate at Final Maturity	5.60%

Other Assumptions

Prior Reserve Fund balance	\$620,160
New Reserve Requirement	Half Funded by Reserve Fund Surety / Half Funded by Cash
Estimated Costs of Issuance	\$142,500
Proposed Underwriter's Discount (as % of total Financing Authority Bonds)	1.25%

ESTIMATED SAVINGS

City of Angels Limited Obligation Refunding Bonds, Series 2005 Greenhorn Creek Reassessment District

<i>Date</i>	<i>Prior Debt Service</i>	<i>Refunding Debt Service</i>	<i>Savings</i>
9/2/2006	844,320	801,078	43,242
9/2/2007	841,800	801,916	39,884
9/2/2008	843,180	805,676	37,505
9/2/2009	848,180	798,633	49,547
9/2/2010	846,505	800,972	45,533
9/2/2011	848,588	801,817	46,771
9/2/2012	849,148	801,344	47,804
9/2/2013	848,160	799,267	48,893
9/2/2014	849,040	800,629	48,412
9/2/2015	848,240	800,195	48,046
9/2/2016	845,760	798,301	47,460
9/2/2017	846,600	799,450	47,151
9/2/2018	840,480	803,388	37,093
9/2/2019	847,680	804,917	42,763
9/2/2020	847,360	798,968	48,392
9/2/2021	844,800	800,736	44,064
Total	<u>\$13,539,840</u>	<u>\$12,817,284</u>	<u>\$722,556</u>
PV of savings from cash flow			\$502,823
Less: Prior funds on hand (1)			(620,160)
Plus: Refunding funds on hand (2)			<u>442,240</u>
Net PV Savings			<u>\$324,904</u>
Savings PV rate (arbitrage yield)			4.92%

(1) Equals Prior Reserve Fund balance. Source: City of Angels.

(2) Equals Reserve Funds plus bond rounding factor.

ESTIMATED SOURCES AND USES OF FUNDS

City of Angels Limited Obligation Refunding Bonds, Series 2005 Greenhorn Creek Reassessment District

Sources

Par Amount	\$8,840,000	
Prior Reserve Fund (1)	<u>620,160</u>	
Total Sources of Funds		<u><u>\$9,460,160</u></u>

Uses

Estimated Cost of Escrow (2)	\$9,096,474	
Reserve Fund -- Senior Bonds (3)	349,000	
Reserve Fund Surety Premium -- Senior Bonds (4)	14,635	
Bond Rounding Factor	<u>50</u>	
Total Uses of Funds		<u><u>\$9,460,160</u></u>

(1) Source: City of Angels.

(2) Net of debt service on the Refunded Bonds due 9/2/05. Assumes SLGS rates as of 8/2/05.

(3) Equals 50% of the Reserve Requirement (MADS).

(4) Equals 4% of 50% of the Reserve Requirement (MADS).

ESTIMATED SOURCES AND USES OF FUNDS

City of Angels Financing Authority Special Assessment Revenue Bonds Greenhorn Creek Reassessment District Senior Series 2005A and Subordinated Series 2005B

Sources

Par Amount of Senior Bonds	\$8,475,000		
Par Amount of Subordinated Bonds	<u>810,000</u>		
Subtotal Financing Authority Bonds		<u>\$9,285,000</u>	
Total Sources of Funds			<u><u>\$9,285,000</u></u>

Uses

Purchase Local Obligations	\$8,840,000		
Bond Insurance Premium (1)	93,247		
Reserve Fund -- Subordinated Bonds	74,665		
Estimated Cost of Issuance	142,500		
Underwriter's Discount (2)	116,063		
Deposit to Reserve Fund -- Senior Bonds	16,886		
Bond Rounding Factor	<u>1,639</u>		
Total Uses of Funds			<u><u>\$9,285,000</u></u>

(1) Equals 0.8% of total Debt Service on the Senior Bonds only.

(2) Equals 1.25% of the total principal amount of Financing Authority Bonds.

ESTIMATED DEBT SERVICE

City of Angels Financing Authority Special Assessment Revenue Bonds Greenhorn Creek Reassessment District Senior Series 2005A

<i>Date</i>	<i>Principal</i>	<i>Coupon (1)</i>	<i>Interest</i>	<i>Total</i>
9/2/2006	\$480,000	3.000%	\$245,982	725,982
9/2/2007	410,000	3.100%	318,508	728,508
9/2/2008	425,000	3.150%	305,798	730,798
9/2/2009	435,000	3.300%	292,410	727,410
9/2/2010	450,000	3.450%	278,055	728,055
9/2/2011	465,000	3.600%	262,530	727,530
9/2/2012	485,000	3.750%	245,790	730,790
9/2/2013	500,000	3.850%	227,603	727,603
9/2/2014	520,000	3.950%	208,353	728,353
9/2/2015	540,000	4.100%	187,813	727,813
9/2/2016	565,000	4.200%	165,673	730,673
9/2/2017	585,000	4.300%	141,943	726,943
9/2/2018	610,000	4.350%	116,788	726,788
9/2/2019	640,000	4.450%	90,253	730,253
9/2/2020	670,000	4.500%	61,773	731,773
9/2/2021	695,000	4.550%	31,623	726,623
Total	<u>\$8,475,000</u>		<u>\$3,180,889</u>	<u>\$11,655,889</u>

(1) Based on interest rates for "AA" (Radian insured) bonds as of 8/2/05.

ESTIMATED DEBT SERVICE

**City of Angels Financing Authority
Special Assessment Revenue Bonds
Greenhorn Creek Reassessment District
Subordinated Series 2005B**

<i>Date</i>	<i>Principal</i>	<i>Coupon (1)</i>	<i>Interest</i>	<i>Total</i>
9/2/2006	\$45,000	3.250%	\$26,341	71,341
9/2/2007	40,000	3.500%	34,188	74,188
9/2/2008	40,000	3.500%	32,788	72,788
9/2/2009	40,000	3.650%	31,388	71,388
9/2/2010	40,000	3.875%	29,928	69,928
9/2/2011	45,000	4.000%	28,378	73,378
9/2/2012	45,000	4.250%	26,578	71,578
9/2/2013	50,000	4.400%	24,665	74,665
9/2/2014	50,000	4.500%	22,465	72,465
9/2/2015	50,000	4.600%	20,215	70,215
9/2/2016	55,000	4.700%	17,915	72,915
9/2/2017	55,000	4.800%	15,330	70,330
9/2/2018	60,000	4.900%	12,690	72,690
9/2/2019	60,000	5.000%	9,750	69,750
9/2/2020	65,000	5.000%	6,750	71,750
9/2/2021	<u>70,000</u>	5.000%	<u>3,500</u>	<u>73,500</u>
Total	<u><u>\$810,000</u></u>		<u><u>\$342,866</u></u>	<u><u>\$1,152,866</u></u>

(1) Based on interest rates for subordinated, non-rated bonds as of 8/2/05.

ESTIMATED DEBT SERVICE

City of Angels Limited Obligation Refunding Bonds, Series 2005 Greenhorn Creek Reassessment District

<i>Date</i>	<i>Principal</i>	<i>Coupon</i>	<i>Interest</i>	<i>Total</i>
9/2/2006	\$495,000	3.50%	\$306,078	801,078
9/2/2007	405,000	4.01%	396,916	801,916
9/2/2008	425,000	4.01%	380,676	805,676
9/2/2009	435,000	4.06%	363,633	798,633
9/2/2010	455,000	4.21%	345,972	800,972
9/2/2011	475,000	4.31%	326,817	801,817
9/2/2012	495,000	4.46%	306,344	801,344
9/2/2013	515,000	4.59%	284,267	799,267
9/2/2014	540,000	4.71%	260,629	800,629
9/2/2015	565,000	4.76%	235,195	800,195
9/2/2016	590,000	4.89%	208,301	798,301
9/2/2017	620,000	5.01%	179,450	799,450
9/2/2018	655,000	5.11%	148,388	803,388
9/2/2019	690,000	5.21%	114,917	804,917
9/2/2020	720,000	5.31%	78,968	798,968
9/2/2021	760,000	5.36%	40,736	800,736
Total	<u>\$8,840,000</u>		<u>\$3,977,284</u>	<u>\$12,817,284</u>

COVERAGE TABLE

City of Angels Financing Authority Special Assessment Revenue Bonds, Series 2005 (Greenhorn Creek Reassessment District)

<i>Year Ending Sep. 2</i>	Senior Revenue Bonds -- Series A			Subordinated Revenue Bonds -- Series B			<i>Combined Debt Service</i>	Local Obligation: Series 2005 Bonds			<i>Senior Bonds' Coverage</i>	<i>Combined Coverage</i>	<i>Surplus (Deficit)</i>
	<i>Principal</i>	<i>Interest (1)</i>	<i>Debt Service</i>	<i>Principal</i>	<i>Interest (1)</i>	<i>Debt Service</i>		<i>Principal</i>	<i>Interest (1)</i>	<i>Debt Service</i>			
2006	480,000	245,982	725,982	45,000	26,341	71,341	797,323	495,000	306,078	801,078	1.10 :1	1.00 :1	3,755
2007	410,000	318,508	728,508	40,000	34,188	74,188	802,695	405,000	396,916	801,916	1.10 :1	1.00 :1	(779)
2008	425,000	305,798	730,798	40,000	32,788	72,788	803,585	425,000	380,676	805,676	1.10 :1	1.00 :1	2,091
2009	435,000	292,410	727,410	40,000	31,388	71,388	798,798	435,000	363,633	798,633	1.10 :1	1.00 :1	(165)
2010	450,000	278,055	728,055	40,000	29,928	69,928	797,983	455,000	345,972	800,972	1.10 :1	1.00 :1	2,990
2011	465,000	262,530	727,530	45,000	28,378	73,378	800,908	475,000	326,817	801,817	1.10 :1	1.00 :1	909
2012	485,000	245,790	730,790	45,000	26,578	71,578	802,368	495,000	306,344	801,344	1.10 :1	1.00 :1	(1,024)
2013	500,000	227,603	727,603	50,000	24,665	74,665	802,268	515,000	284,267	799,267	1.10 :1	1.00 :1	(3,001)
2014	520,000	208,353	728,353	50,000	22,465	72,465	800,818	540,000	260,629	800,629	1.10 :1	1.00 :1	(189)
2015	540,000	187,813	727,813	50,000	20,215	70,215	798,028	565,000	235,195	800,195	1.10 :1	1.00 :1	2,167
2016	565,000	165,673	730,673	55,000	17,915	72,915	803,588	590,000	208,301	798,301	1.09 :1	0.99 :1	(5,287)
2017	585,000	141,943	726,943	55,000	15,330	70,330	797,273	620,000	179,450	799,450	1.10 :1	1.00 :1	2,177
2018	610,000	116,788	726,788	60,000	12,690	72,690	799,478	655,000	148,388	803,388	1.11 :1	1.00 :1	3,910
2019	640,000	90,253	730,253	60,000	9,750	69,750	800,003	690,000	114,917	804,917	1.10 :1	1.01 :1	4,915
2020	670,000	61,773	731,773	65,000	6,750	71,750	803,523	720,000	78,968	798,968	1.09 :1	0.99 :1	(4,555)
2021	695,000	31,623	726,623	70,000	3,500	73,500	800,123	760,000	40,736	800,736	1.10 :1	1.00 :1	614
Total	<u>\$8,475,000</u>	<u>\$3,180,889</u>	<u>\$11,655,889</u>	<u>\$810,000</u>	<u>\$342,866</u>	<u>\$1,152,866</u>	<u>\$12,808,756</u>	<u>\$8,840,000</u>	<u>\$3,977,284</u>	<u>\$12,817,284</u>			
							Total Bond Amount, Series A&B						
							\$9,285,000						

(1) Based on estimated interest rates as of 8/2/05.

SUMMARY OF LAND USES IN THE DISTRICT

City of Angels Greenhorn Creek Reassessment District As of 7/29/05

<i>Land Use</i>	<i>Land Value</i>	<i>Structural Value (1)</i>	<i>Total Value</i>	<i>% of Total Value</i>	<i>Lien (2)</i>	<i>% of Total Lien</i>	<i>Value-to- Lien Ratio</i>
Residential	\$57,061,536	\$75,950,276	\$133,011,812	98.3%	\$8,139,520	88.9%	16.34 :1
Commercial	166,624	593,828	760,452	0.6%	557,619	6.1%	1.36 :1
Golf Course	64,001	1,349,631	1,413,632	1.0%	430,649	4.7%	3.28 :1
Public Service	100,043	0	100,043	0.1%	32,000	0.3%	3.13 :1
Total	<u>\$57,392,204</u>	<u>\$77,893,735</u>	<u>\$135,285,939</u>	<u>100.0%</u>	<u>\$9,159,789</u>	<u>100.0%</u>	<u>14.77 :1</u>

(1) Net of Exempt Value totaling \$707,000.

(2) The principal amount of Prior Bonds currently outstanding is \$9,190,000, including \$350,000 principal due 9/2/05 which will be redeemed on schedule prior to the refunding. The difference between \$9,190,000 and the assessment liens totaling \$9,159,789 is due to prepayments; the Trustee will use the prepayment revenues to call Bonds for early redemption on 9/2/05.

Source: NBS and the City of Angels.

VALUE-TO-LIEN RATIOS
City of Angels
Greenhorn Creek Reassessment District
As of 7/2905

<i>Status of Development</i>	<i>Number of Lots</i>	<i>Land Value</i>	<i>Structural Value (1)</i>	<i>Total Value</i>	<i>% of Total Value</i>	<i>Lien (2)</i>	<i>% of Total Lien</i>	<i>Value-to-Lien Ratio</i>
<u>Improved</u>								
Residential	232	\$27,579,258	\$75,950,276	\$103,529,534	76.5%	\$3,785,944	41.3%	27.35 :1
Commercial	2	166,624	593,828	760,452	0.6%	557,619	6.1%	1.36 :1
Golf Course	1	64,001	1,349,631	1,413,632	1.0%	430,649	4.7%	3.28 :1
Subtotal Improved	235	\$27,809,883	\$77,893,735	\$105,703,618	78.1%	\$4,774,212	52.1%	22.14 :1
Unimproved	223	29,582,321	0	29,582,321	21.9%	4,385,577	47.9%	6.75 :1
Total	458	\$57,392,204	\$77,893,735	\$135,285,939	100.0%	\$9,159,789	100.0%	14.77 :1

(1) Net of Exempt Value totaling \$707,000.

(2) The principal amount of Prior Bonds currently outstanding is \$9,190,000, including \$350,000 principal due 9/2/05 which will be redeemed on schedule prior to the refunding. The difference between \$9,190,000 and the assessment liens totaling \$9,159,789 is due to prepayments; the Trustee will use the prepayment revenues to call Bonds for early redemption on 9/2/05.

Source: NBS

DELINQUENCY SUMMARY REPORT

City of Angels Greenhorn Creek Reassessment District

<i>Year</i>	<i>Billed Amount</i>	<i>Paid Amount</i>	<i>Delinquent Amount</i>	<i>Percentage Delinquent</i>
1999-00	\$618,288	\$618,288	0	0.0%
2000-01	941,084	941,084	0	0.0%
2001-02	931,980	931,980	0	0.0%
2002-03	925,396	925,396	0	0.0%
2003-04	918,940	918,940	0	0.0%
2004-05	910,691	881,944	28,747	3.2%
Total	<u>\$5,246,379</u>	<u>\$5,217,632</u>	<u>\$28,747</u>	<u>0.5%</u>

Source: NBS

City of Angels
Greenhorn Creek Reassessment District Series 1998
Top 10 Property Owners
Based on Unbilled Principal
Property Values as of 7/29/2005

Owner	Land Value	Structure Value	Exempt Value	Total Value	Unbilled Principal	Unbilled Principal %	V:D Ratio	Count	Count %
LAKEMONT GREENHORN CREEK LI	\$2,572,681.00	\$0.00	\$0.00	\$2,572,681.00	\$616,944.34	6.735%	4.17:1	27	5.895 %
GREENHORN CREEK ASSOCIATES	47,819.00	151,352.00	0.00	199,171.00	542,703.85	5.925	0.37:1	1	0.218
MOTHERLODE INVESTORS LLC	64,001.00	1,349,631.00	0.00	1,413,632.00	430,648.82	4.702	3.28:1	1	0.218
GREENHORN LAND CO LLC	865,723.00	0.00	0.00	865,723.00	69,748.50	0.761	12.41:1	4	0.873
GANN LESTER G SUCCESSOR	271,578.00	49,500.00	0.00	321,078.00	68,549.37	0.748	4.68:1	3	0.655
NICHOLAS GROUP	388,392.00	0.00	0.00	388,392.00	66,486.98	0.726	5.84:1	4	0.873
RENATI JOHN E AND ELIZABETH A	375,869.00	989,202.00	0.00	1,365,071.00	62,202.97	0.679	21.95:1	3	0.655
LILVAL PROPERTIES LTD	322,221.00	442,476.00	0.00	764,697.00	60,685.76	0.663	12.60:1	3	0.655
HART SHANE AND MICHELLE	417,658.00	0.00	0.00	417,658.00	58,758.53	0.641	7.11:1	3	0.655
DJS HOMES	229,845.00	0.00	0.00	229,845.00	50,354.14	0.550	4.56:1	2	0.437
All Others	51,836,417.00	75,618,574.00	707,000.00	126,747,991.00	7,132,705.63	77.870	17.77:1	407	88.865
Total:	\$57,392,204.00	\$78,600,735.00	\$707,000.00	\$135,285,939.00	\$9,159,788.89	100.000%	14.77:1	458	100.000%